



***Fiscal Year 2018  
Budget Presentation***

Monday, January 30, 2017



# Agenda

- FY 2017 Year to Date Update
  - Revenues
  - Expenses
- FY 2018 Revenues
- FY 2018 Budget Requests
- FY 2018 Fixed Costs
- Next Steps



***Fiscal Year 2017***  
**Year to Date Update**



# FY 2017 Update

## *REVENUES*

- Local receipts and tax collections on target
- Outstanding Taxes have brought in 8% of the net balance in previous month due to diligent collection action in the T/C Office
- The long term projection of bringing down past due taxes in progress
- Interest Income improving



# FY 2017 Update

## ***EXPENSES***

- Snow & Ice spent (\$172, 700 to date)
  - Balance \$177, 300 (\$50K encumbered for salt)
  - More inclement weather ?
  
- Fire Department and Police Department Overtime is a challenge and may need corrective action.



# FY 2017 Update

## *EXPENSES*

- Transitions
  - Collector/Treasurer \$83,000
  - Conservation \$ 7,000
  - Town Clerk \$10,000
- Flood Insurance<sub>(WHG)</sub> \$60,000
- Debt adjustment \$ 250,000



***Fiscal Year 2018***  
**Projected Revenue**  
**July 1, 2017 to June 30, 2018**



# FY 2018 Revenue Sources

## Estimated Tax Levy

	Budgeted FY17	Estimated FY18
Base Tax Levy	56,378,234	58,414,262
Statutory 2 1/2 Increase	1,409,456	1,460,357
New Growth	742,106	500,000
<b>Levy Limit</b>	<b>58,529,796</b>	<b>60,374,619</b>
FB/Martinson & MHS Debt Exclusion	4,279,861	4,361,297
<b>Max Total Allowable Levy</b>	<b>62,809,657</b>	<b>64,735,916</b>

**Total New Tax Revenue with out Debt Exclusion**  
**\$ 1,344,823 2.3% increase**



# FY 2018 Revenue Sources

## Estimated Local Receipts

- FY17 Local Receipts estimate of \$6,336,575
- FY 18 proposed budget is level funded
  - Level Funded FY 18 Budgeted Local Receipts

**Total New Estimated Receipt Revenue = 6,336,575**

**Level Funded**



# FY 2018 Revenue Sources

## Estimated Local Receipts

- Includes:
  - Motor Vehicle Excise
  - Ambulance Charges
  - Licenses and Permits
  - All other categories, including investment income, fees and other excise make up the remaining



# FY 2018 Revenue Sources

## Estimated Local Receipts

Indirects costs from Enterprise Funds

- Water 605, 308
- Sewer 486, 658
- Solid Waste 225, 040

Total Indirects \$1,317,006



# FY 2018 Revenue Sources

## Estimated State Aid

	Budgeted FY 17	Budgeted FY 18
State Aid	16,841,289	16,841,289
Less Offsets	(51,877)	(51,877)
<b>Total State Aid (Less Offsets)</b>	<b>16,789,412</b>	<b>16,789,412</b>

**Total New State Aid Revenue = Level Funded**



# FY 18 Estimated Total Revenue Sources

## 2.10% Increase

	Budgeted FY17	Estimated FY18
Base Tax Levy	56,378,234	58,414,262
Statutory 2 1/2 Increase	1,409,456	1,460,357
New Growth	742,106	500,000
<b>Levy Limit</b>	<b>58,529,796</b>	<b>60,374,619</b>
FB/Martinson & MHS Debt Exclusion	4,279,861	4,361,297
<b>Max Total Allowable Levy</b>	<b>62,809,657</b>	<b>64,735,916</b>
State Aid	16,841,289	16,841,289
Less Offsets	(51,877)	(51,877)
<b>Total State Aid (Less Offsets)</b>	<b>16,789,412</b>	<b>16,789,412</b>
Local Receipts	6,336,575	6,336,575
Non-recurring		
Free Cash		
MSBA Reimbursement	1,112,854	1,112,854
Use of Reserved Bond Premium	275,441	275,441
Waterways	30,000	30,000
Wetland Protection	20,000	20,000
Licensing & Keeping of Dogs	20,000	20,000
Cemetery Perpetual Care	20,000	20,000
Enterprise Indirects	1,492,319	1,317,006
coa state grant		47,729
coa gatra reimbursement		67,709
<b>Total Other Revenue</b>	<b>9,307,189</b>	<b>9,247,314</b>
<b>Total Revenue</b>	<b>88,906,258</b>	<b>90,772,642</b>

**Total Revenue Change from FY17 = \$1,866,384**



# FY 2018 Revenue Assumptions

- Increase Tax Levy as allowed under Proposition 2 ½
- State Aid Level Funded
- Local Receipts are Level Funded
- *No Free Cash in operating budget*



***Fiscal Year 2018 - PRELIMINARY***  
**Proposed Expenses - REQUESTED**  
**July 1, 2017 to June 30, 2018**



# FY 2018 General Government

- Selectmen's Budget
  - Director of Human Resources new Dept. Budget
  - Additional funds for Labor Counsel (collective bargaining)
- Assessors
  - Requested increase for Chief Assessor
- Collector Treasurer
  - Benefits Coordinator moved to HR Department



# FY 2018 General Government

- *NEW* Human Resources Department
- Information Technology
  - Request to be reclassified to IT Director
- Conservation
  - Seeking tools/equipment/shed for trail support and maintenance
  - **General Government 5.25% Increase as requested \$129,618**



# FY 2018 Public Safety

- Police

- Request to Hire 4 new officers \$240,000
- Overtime Increase \$170,000

- Fire

- Hire 2 new FF positions Est. \$120,000
- Overtime increase \$30,000



# FY 2018 Public Safety

- Building Department
  - Request for P/T Zoning Enforcement Officer
- Animal Control
  - Request to increase part-time Ass't at 19/hrs /week
- Harbormaster
  - Request based on services - 0% increase since 2007

**Public Safety 6.81% Increase \$734,614**



# FY 2018 Education

- FY 2017 Budget \$45,881,625
- Projected Contract Obligations \$1,393,187
- FY 18 Operational Increases \$157,045
- Needs based enhancements \$859,931  
(District Financial Plan)
- **Proposed Preliminary 2018 Budget \$48,291,788**
- **Estimated School Committee Budget Increase  
\$2,419,163 (5.25%)**



# FY 2018 Education

## **District Financial Plan (FY18)**

- Increase Technology/STEAM educators at elementary level.
- Create Robotics/Applied Physics staffing at MHS
- Increase music instruction at elementary level.
- Provide additional coaching/supervision in MHS athletics.
- Increase administrative support at FBMS.
- Bring health education into the elementary schools.
- Increase chemistry supplies/materials at MHS
- Increase World Language instruction at FBMS.



# FY 2018 Education

## **District Financial Plan (FY18)**

- Fund resources to support Social Emotional Learning.
- Establish out of school transition program at FBMS.
- Increase reading educator staffing at FBMS.
- Create College Board/SAT review courses at MHS.
- Continue to meet needs of English Language Learners.
- Add math specialist educators at the elementary level.
- Restore general and instructional supplies.
- Increase annual technology expenditures.



# FY 2018 Education

## Marshfield Public Schools Summary

- Of the proposed 5.25% increase in the proposed FY18 budget, 3.04% is represented by potential contractual obligations.
- Another 0.34% is earmarked for operational increases that are already built in for next year.
- Only 1.87% is allotted for need based enhancements tied to the District's Financial Plan.
- The average increase to the Marshfield Education operating budget has been 1.88% over the previous eleven years.
- Marshfield ranks 284 out of 320 districts in the state in Net School Spending (NSS).



# FY 2018 Education

- School Department Request \$48,291,788
- **School Department 5.25% Increase as requested**



# FY 2018 Public Works

- DPW Budgets reflect moderate increases – no new employees
- 9 Employees Salaries distributed between General Fund and Water – Sewer and Solid Waste Enterprise Funds at various percentages
- Biggest change field maintenance \$60,000 previously approve at last year STM

**DPW 5.14 % Increase as requested, \$142,312**



# FY 2018 Health & Human Services

- Council on Aging budget increase request of 24.8% \*
  - 1 new position requested Ass't Director
  - Bus driver's are included in budget that were paid via GATRA - GATRA Funds "other revenue" (\$116,000)
- Veteran's Benefits modest increase

**Health and Human Services 18.82 % Increase  
\$180,868**



# FY 2018 Culture & Recreation

- Modest changes for Library, Veterans Memorial Trustees, Historical Commission and Clam Flats
- **Culture and Recreation 4.14 % increase  
\$31,506**



# FY 2018 Proposed Fixed Costs

DEPARTMENT		FY 17	FY 18	CHANGE
Reserve Fund		100,000	100,000	0
Snow Removal		400,000	408,000	8,000
Facilities		567,629	817,920	250,291
General Insurance		882,790	953,791	71,001
Health & Life Insurance		6,359,456	7,567,753	1,208,297
Unemployment Comp		100,000	100,000	0
Medicare		748,951	760,000	11,049
Retirement		5,451,747	5,646,638	194,891
Audit/OPEB/Payroll		100,000	111,500	11,500
				0
<b>Fixed Costs Total</b>		<b>15,678,203</b>	<b>17,691,522</b>	<b>1,755,029</b>

**Fixed Cost 12.71% increase in large part due to Health Insurance, \$1,856,529**



# Facilities Department

- \$250, 000 not part of the shared expense.  
Included to fund new updated and improved cleaning services for Town Hall, Police and Fire Station, and Library (COA and Library Plaza)  
  
or
- Custodial Staff



# Health Insurance

- Projected increase 19 % or \$1,208,297
- *Rates / Number not yet confirmed by MMHG; earliest April 2017*

## GBS MMHG RECOMMENDATION

Projected Increase 11.8 % Increase or  
\$743,000



# Health Insurance

- GBS recommendation requires vote of membership and included the following conditions:
  - A . eliminating” legacy “plans” (zero)
  - B. minor changes to benchmark plans (17)
  - C . Claims stabilizing and w/o new high loss claims



# Health Insurance

- Vote to eliminate “legacy” plans may not happen
- 2<sup>nd</sup> best options to rate all plans independently (v. Blended rates); may not happen
- New High cost claims evolved
- Governance key Issue
- Vote on rates - in April.....



# FY 18 Proposed Expenses

## Summary of Requests

DEPARTMENT	FY 17	FY 18
Town Government	18,115,318	19,351,172
School Department	45,881,625	48,291,788
Debt Service-Non excluded	3,456,477	3,538,872
Debt Service-Excluded	5,668,156	5,604,334
General Insurance/Medicare	1,631,741	1,713,791
Pension Total	5,451,747	5,646,638
Employee Health/Life Insurance	6,359,456	7,567,753
Unemployment	100,000	100,000
Facilities	567,629	817,920
Snow & Ice	400,000	408,000
Audit/OPEB/Payroll	100,000	113,000
<b>Other Expense</b>		
Reserve Fund	100,000	100,000
Overlay	0	400,000
State & County Assessments	773,695	773,695
Town Meeting Appropriation	78,000	0
	<b>88,683,844</b>	<b>94,426,962</b>
<b>Revenue-Expense Surplus/(Deficit)</b>	<b>222,414</b>	<b>(3,654,320)</b>

**Total Proposed Expenditure Change from FY17 = 5,743,118.00**



# Proposed Revenues v. Expenses

Revenue	\$ 90,772,642.00
Expenses	\$ 94,426,962.00
Shortfall	\$ (3,654,320.00)



# FY 2018 Budget Summary

- Budget will be balanced but it will not be easy task
- Health Insurance Increase is huge, huge burden
- Gov's budget out last Wednesday but will wait on House and Senate Budget Proposals
- Collector Treasurer's work with collections will help in FY 19



# FY 2018 Budget Summary

- Collective Bargaining will be initiated and at this point unaccounted and same for by-law employees.
- Collector Treasurer will present the Town's debt status for all debt late February or early May.
  - Current debt ratios for Town Debt slightly exceed 5 % policy\*
  - The exempt debt is under the 10 % policy



# FY 2018 Budget NEXT STEPS

- Balanced budget to be presented ASAP
- Capital Budget Committee will be starting to review Capital Requests Feb 6
- Advisory Chair will do the same with Operating budget and all Town Departments
- **March 28, 2017 Joint Selectmen Advisory Board Hearing**



# FY 2018 Budget NEXT STEPS

*ANNUAL TOWN MEETING*

*MONDAY APRIL 24, 2017*

*7:00 PM*

*MARSHFIELD HIGH SCHOOL*

*AUDITORIUM*